

House File 534 - Introduced

HOUSE FILE _____
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HSB 114)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to incentives for school district reorganizations
2 and shared operational functions, and making an appropriation.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 1228HV 82
5 ak/je/5

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1 1 Section 1. Section 257.3, subsection 2, paragraph d, Code
1 2 2007, is amended to read as follows:
1 3 d. For purposes of this section, a reorganized school
1 4 district is one which absorbs at least thirty percent of the
1 5 enrollment of the school district affected by a reorganization
1 6 or dissolved during a dissolution and in which action to bring
1 7 about a reorganization or dissolution is initiated by a vote
1 8 of the board of directors or jointly by the affected boards of
1 9 directors to take effect on or after July 1, ~~2002~~ 2007, and on
1 10 or before July 1, ~~2006~~ 2014. Each district which initiated,
1 11 by a vote of the board of directors or jointly by the affected
1 12 boards, action to bring about a reorganization or dissolution
1 13 to take effect on or after July 1, ~~2002~~ 2007, and on or before
1 14 July 1, ~~2006~~ 2014, shall certify the date and the nature of
1 15 the action taken to the department of education by January 1
1 16 of the year in which the reorganization or dissolution takes
1 17 effect. For a reorganization or dissolution that took effect
1 18 on or after July 1, 2002, and on or before July 1, 2006, the
1 19 reorganized school district shall continue to receive the
1 20 benefits of paragraphs "a" and "b" of this subsection for the
1 21 time specified in those paragraphs.

1 22 Sec. 2. Section 257.11, subsection 2, paragraph c, Code
1 23 2007, is amended by striking the paragraph and inserting in
1 24 lieu thereof the following:
1 25 c. Pupils attending class for all or a substantial portion
1 26 of a school day pursuant to a whole grade sharing agreement
1 27 executed under sections 282.10 through 282.12 shall be
1 28 eligible for supplementary weighting pursuant to this
1 29 subsection. A school district which executes a whole grade
1 30 sharing agreement and which adopts a resolution jointly with
1 31 other affected boards to study the question of undergoing a
1 32 reorganization or dissolution to take effect on or before July
1 33 1, 2014, shall receive a weighting of one-tenth of the
1 34 percentage of the pupil's school day during which the pupil
1 35 attends classes in another district, attends classes taught by
2 1 a teacher who is jointly employed under section 280.15, or
2 2 attends classes taught by a teacher who is employed by another
2 3 school district. A district shall be eligible for
2 4 supplementary weighting pursuant to this paragraph for a
2 5 maximum of three years. Receipt of supplementary weighting
2 6 for a second and third year shall be conditioned upon
2 7 submission of information resulting from the study to the
2 8 school budget review committee indicating progress toward the
2 9 objective of reorganization on or before July 1, 2014.

2 10 Sec. 3. Section 257.11, subsection 5, paragraph a, Code
2 11 2007, is amended to read as follows:
2 12 a. For the school budget year beginning July 1, 2002, ~~and~~
2 13 ~~succeeding budget years through the school budget year~~
2 14 ~~beginning July 1, 2007~~, in order to provide additional funds
2 15 for school districts in which a regional academy is located, a
2 16 supplementary weighting plan for determining enrollment is
2 17 adopted.
2 18 Sec. 4. Section 257.11, Code 2007, is amended by adding

2 19 the following new subsection:

2 20 NEW SUBSECTION. 5A. SHARED OPERATIONAL FUNCTIONS ==
2 21 INCREASED STUDENT OPPORTUNITIES.

2 22 a. In order to provide additional funding to increase
2 23 student opportunities and redirect more resources to student
2 24 programming for school districts that share operational
2 25 functions, a supplementary weighting of two hundredths per
2 26 pupil shall be assigned to pupils enrolled in a district that
2 27 shares with a political subdivision one or more operational
2 28 functions in the areas of superintendent management, business
2 29 management, human resources, transportation, or operation and
2 30 maintenance for at least twenty percent of the school year.
2 31 The additional weighting shall be assigned for each discrete
2 32 operational function shared. For the purposes of this
2 33 section, "political subdivision" means a city, township,
2 34 county, school corporation, merged area, area education
2 35 agency, institution governed by the state board of regents, or
3 1 any other governmental subdivision.

3 2 b. Supplementary weighting pursuant to this subsection
3 3 shall be available to a school district for a maximum of five
3 4 years during the period commencing with the budget year
3 5 beginning July 1, 2008, through the budget year beginning July
3 6 1, 2013. The minimum amount of additional weighting for which
3 7 a school district shall be eligible is an amount equivalent to
3 8 ten additional pupils, and the maximum amount of additional
3 9 weighting for which a school district shall be eligible is an
3 10 amount equivalent to forty additional pupils. Receipt of
3 11 supplementary weighting by a school district pursuant to this
3 12 subsection for more than one year shall be contingent upon the
3 13 annual submission of information by the district to the
3 14 department documenting cost savings directly attributable to
3 15 the shared operational functions. Criteria for determining
3 16 the number of years for which supplementary weighting shall be
3 17 received pursuant to this subsection, subject to the five-year
3 18 maximum, and for determining qualification of operational
3 19 functions for supplementary weighting shall be determined by
3 20 the department by rule, through consideration of long-term
3 21 savings by the school district or increased student
3 22 opportunities.

3 23 c. Supplementary weighting pursuant to this subsection
3 24 shall be available to an area education agency for a maximum
3 25 of five years during the period commencing with the budget
3 26 year beginning July 1, 2008. The minimum amount of additional
3 27 funding for which an area education agency shall be eligible
3 28 is fifty thousand dollars, and the maximum amount of
3 29 additional funding for which an area education agency shall be
3 30 eligible is two hundred thousand dollars. The department of
3 31 management shall annually set a weighting for each area
3 32 education agency to generate the approved operational sharing
3 33 expense using the area education agency's special education
3 34 cost per pupil amount and foundation level. Receipt of
3 35 supplementary weighting by an area education agency for more
4 1 than one year shall be contingent upon the annual submission
4 2 of information by the district to the department documenting
4 3 cost savings directly attributable to the shared operational
4 4 functions. Criteria for determining the number of years for
4 5 which supplementary weighting shall be received pursuant to
4 6 this subsection, subject to the five-year maximum, and the
4 7 amount generated by the supplementary weighting, and for
4 8 determining qualification of operational functions for
4 9 supplementary weighting shall be determined by the department
4 10 by rule, through consideration of long-term savings by the
4 11 area educational agency or increased student opportunities.

4 12 d. This subsection is repealed effective July 1, 2014.

4 13 Sec. 5. Section 257.11A, Code 2007, is amended to read as
4 14 follows:

4 15 257.11A SUPPLEMENTARY WEIGHTING AND SCHOOL REORGANIZATION.

4 16 1. In determining weighted enrollment under section 257.6,
4 17 if the board of directors of a school district has approved a
4 18 contract for sharing pursuant to section 257.11 and the school
4 19 district has approved an action to bring about a
4 20 reorganization to take effect on and after July 1, ~~2007~~ 2007,
4 21 and on or before July 1, ~~2006~~ 2014, the reorganized school
4 22 district shall include, for a period of three years following
4 23 the effective date of the reorganization, additional pupils
4 24 added by the application of the supplementary weighting plan,
4 25 equal to the pupils added by the application of the
4 26 supplementary weighting plan in the year preceding the
4 27 reorganization. For the purposes of this subsection, the
4 28 weighted enrollment for the period of three years following
4 29 the effective date of reorganization shall include the

4 30 supplementary weighting in the base year used for determining
4 31 the combined district cost for the first year of the
4 32 reorganization. However, the weighting shall be reduced by
4 33 the supplementary weighting added for a pupil whose residency
4 34 is not within the reorganized district.

4 35 2. For purposes of this section, a reorganized district is
5 1 one in which the reorganization was approved in an election
5 2 pursuant to sections 275.18 and 275.20 and takes effect on or
5 3 after July 1, ~~2002~~ 2007, and on or before July 1, ~~2006~~ 2014.
5 4 Each district which initiates, by a vote of the board of
5 5 directors or jointly by the affected boards, action to bring
5 6 about a reorganization or dissolution to take effect on or
5 7 after July 1, ~~2002~~ 2007, and on or before July 1, ~~2006~~ 2014,
5 8 shall certify the date and the nature of the action taken to
5 9 the department of education by January 1 of the year in which
5 10 the reorganization or dissolution takes effect.

~~5 11 3. Notwithstanding subsection 1, a school district which
5 12 was participating in a whole grade sharing arrangement during
5 13 the budget year beginning July 1, 2001, and which received a
5 14 maximum of two years of supplementary weighting pursuant to
5 15 section 257.11, subsection 2, paragraph "c", shall include
5 16 additional pupils added by the application of the
5 17 supplementary weighting plan, equal to the pupils added by the
5 18 application of the supplementary weighting plan in the year
5 19 preceding the reorganization, for a period of four years
5 20 following the effective date of the reorganization.~~

~~5 21 4- 3. A school district shall be eligible for a combined
5 22 maximum total of six years of supplementary weighting under
5 23 the provisions of this section and section 257.11, subsection
5 24 2, paragraph "c". A school district participating in a whole
5 25 grade sharing arrangement during the budget year beginning
5 26 July 1, 2001, that adopted a resolution jointly with other
5 27 affected boards to study the question of undergoing a
5 28 reorganization or dissolution to take effect on or after July
5 29 1, 2002, and on or before July 1, 2006, shall continue to
5 30 receive the supplementary weighting to which it was entitled
5 31 pursuant to the provisions of this section and section 257.11,
5 32 subsection 2, paragraph "c".~~

5 33 Sec. 6. SCHOOL SHARING AND EFFICIENCIES IN OPERATION

5 34 PROCESS == APPROPRIATION. For the fiscal year beginning July
5 35 1, 2007, and ending June 30, 2008, there is appropriated from
6 1 the general fund of the state to the department of education
6 2 the following amount, or so much thereof as is necessary, to
6 3 be used for the purposes designated in this section:

6 4 \$ 400,000

6 5 The amount appropriated pursuant to this section shall be
6 6 utilized by the department to assist school districts in
6 7 implementing shared operational functions.

6 8 EXPLANATION

6 9 This bill makes changes related to incentives for school
6 10 district reorganization and dissolution and shared operational
6 11 functions between school districts and political subdivisions.

6 12 The bill leaves intact the reduced uniform levy for schools
6 13 that reorganized prior to July 1, 2006, allowing school
6 14 districts to utilize the incentive if they reorganize until on
6 15 or before July 1, 2014.

6 16 The bill strikes the current whole grade sharing
6 17 arrangement, and replaces it with a modified and simplified
6 18 version. The new provision allows school districts that
6 19 execute a whole grade sharing agreement and adopt a resolution
6 20 to study the effect of undergoing a reorganization or
6 21 dissolution to take effect on or before July 1, 2014, to
6 22 weight one-tenth of a percentage of a student's school day
6 23 during which the student attends classes in another district,
6 24 is taught by a teacher jointly employed, or attends classes
6 25 taught by a teacher employed by another district. This
6 26 supplementary weighting is available for a total of three
6 27 years. However, the second and third year of supplementary
6 28 weighting funding is dependent upon the school district's
6 29 progress toward reorganization.

6 30 The bill provides an additional funding for regional
6 31 academies through the school budget year beginning July 1,
6 32 2007.

6 33 The bill offers financial and operational support to help
6 34 school districts reorganize, consolidate, or dissolve
6 35 efficiently without allowing fiscal barriers to get in the
7 1 way. A supplementary weighting of two hundredths per pupil
7 2 will be given to a district that shares with a political
7 3 subdivision one or more of its administrative management,
7 4 business management, human resources, transportation, or
7 5 operational and maintenance functions for at least 20 percent

7 6 of the year. A political subdivision means a city, township,
7 7 county, school corporation, merged area, area education
7 8 agency, board of regents institution, or any other government
7 9 subdivision. This supplementary weighting is available for
7 10 five years, with a minimum equivalent weighting of 10 pupils
7 11 and a maximum equivalent weighting of 40 pupils. After the
7 12 first year of supplementary weighting, the school district
7 13 must submit evidence of cost savings attributable to the
7 14 shared operational functions. This section will be repealed
7 15 on July 1, 2014.

7 16 The bill provides that area education agencies (AEAs) shall
7 17 have supplementary weighting for shared operational functions
7 18 available for a maximum of five years beginning July 1, 2008.
7 19 The minimum amount of additional funding that an AEA shall be
7 20 eligible for is \$50,000 and the maximum amount of funding that
7 21 an AEA shall be eligible for is \$200,000.

7 22 The bill directs the department of management to annually
7 23 set a weighting for each AEA to generate the approved
7 24 operational sharing expense using the AEA's special education
7 25 cost per pupil amount and foundation level. To receive
7 26 supplementary weighting for more than one year depends on
7 27 annual reports by the district to the department on the cost
7 28 savings attributable to the shared operational functions.

7 29 Criteria for determining the number of years that
7 30 supplementary weighting shall be received, subject to the
7 31 five-year maximum, and the amount generated by the
7 32 supplementary weighting, and for determining qualification of
7 33 operational functions for supplementary weighting shall be
7 34 decided by department rule through consideration of long-term
7 35 savings by the AEA or increased student opportunities.

8 1 The bill also provides for supplementary weighting funding
8 2 for three years for a reorganized school district that is
8 3 equal to the funding that was received in the year preceding
8 4 the reorganization. The bill amends the definition of
8 5 reorganized school district for purposes of receiving this
8 6 supplementary weighting to include those districts where the
8 7 reorganization takes effect on or before July 1, 2014.

8 8 An appropriation of \$400,000 from the general fund is
8 9 provided to assist schools in implementing shared operational
8 10 functions.

8 11 LSB 1228HV 82

8 12 ak:sc/je/5